

National Income and National Product in 1943

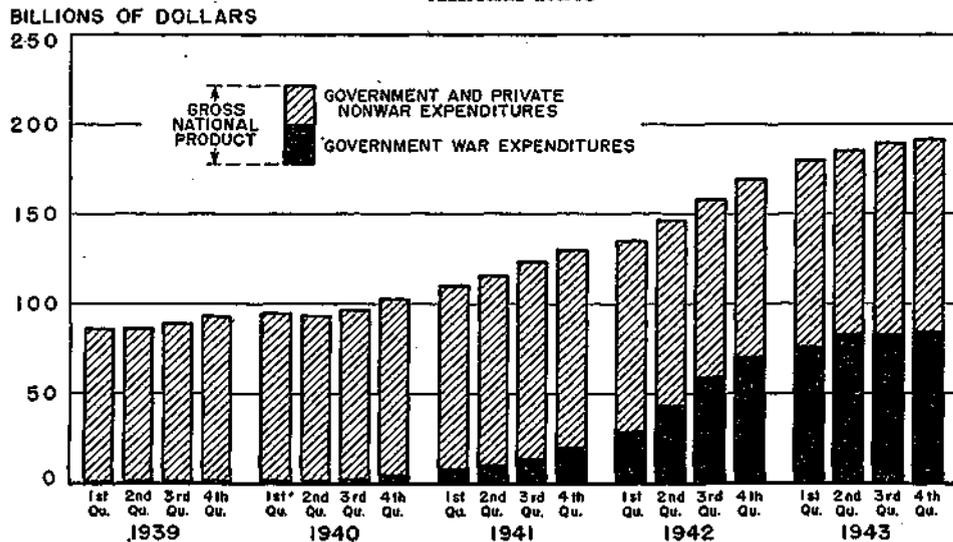
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WITH the achievement of full economic mobilization towards the end of 1943, the national income and national product rose during the year to new high levels of 147.9 billion dollars and 186.5 billion dollars, respectively. The corresponding national income total for 1942 was 121.6 billion dollars while the gross national product was 152.1 billion. But though the annual aggregates showed increases for the year as large as those for the previous war years, the quarterly movements clearly indicated a tapering off in the wartime expansion. By the end of the year it was apparent that the economic situation had reached a fairly static phase, with the flow of output and income pressing against the limits of the Nation's production potential and with the structure of production rigidly determined by the requirements of the war program. There had been established an economic pattern which would prevail in its broader outlines for the duration of the full-scale war effort, barring, of course, radical changes in military requirements or in the level of prices.

Gross National Product.

Gross national product—the total value of currently produced goods and services flowing to Government, to businesses for gross capital formation, and to consumers—amounted to 186.5 billion dollars in 1943. This represented an increase of 34.4 billion over the previous year, somewhat larger than the expansion occurring between 1941 and 1942. The huge increase, the bulk of which was in war expenditures, is the more impressive as it was superimposed upon a record level of product flow.

Chart 1.—Utilization of Gross National Product, Seasonally Adjusted at Annual Rate



Source: U. S. Department of Commerce.

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The quarterly movement of gross national product, on the other hand, indicated a retardation of the wartime upward trend. During 1943 each quarterly gain was smaller than the one preceding it. The addition at an annual rate of 2.4 billion between the third and fourth quarters of 1943 was less than one-quarter of the gain registered a year earlier when the absolute growth in national product was near its peak.

Though shortages of materials were a contributing cause of the leveling off in total national production, the basic factor was the shortage of labor power that was available within the framework of the limited labor control and mobilization measures in operation. This shortage became pronounced in 1943. The upward trend of the aggregate volume of employment tapered off sharply as the pool of unemployed labor and additions to the total labor force were furnishing fewer new recruits for civilian and military employment. So rapidly did these manpower sources dwindle that in the latter part of the year the continued increase in the armed forces could be obtained only at the expense of absolute reductions in the number of persons engaged in civilian work. The experience of 1943 contrasted sharply with that of the preceding years. During 1943 the number of unemployed fell by only 0.5 million, as compared with drops of 3.4 million and 2.9 during 1941 and 1942. Similarly, additions to total labor force amounted to only 1.5 million, a figure somewhat in excess of the increase of 1.3 billion recorded during 1941, but sharply below the 4.1 million increase during 1942.

A substantial part of the high level and of the increase of gross national

product was due, of course, to a rise in prices rather than to an increase in physical volume. The difficulties involved in disentangling these two factors, particularly in an abnormal period such as the present, have been emphasized on previous occasions and need not be repeated here. Despite known limitations, however, the correction of value aggregates for price changes does aid in the evaluation of the economic changes of recent years, though it must be recognized that alternative techniques of deflation would yield different results.

Table 1.—Gross National Product in Current and 1939 Dollars, 1939-43

Year	Gross national product		Implicit price index
	Current dollars	1939 dollars	
1939.....	88.6	88.6	100
1940.....	97.1	96.0	101
1941.....	119.6	112.3	106
1942.....	152.1	132.6	115
1943.....	186.5	155.3	120

Translation of current-value figures into constant 1939 dollars does not change the general impression as to the stupendous size and increase of gross national product, though a substantial part of it—approximately one-third between 1939 and 1943—is seen to reflect a rise in prices rather than an increase in physical volume of output. That the price rise between 1942 and 1943 was smaller than the one estimated to have occurred between 1941 and 1942 is due in part to the fact that an increasing portion of national product represented the output of munitions whose average prices—for want of better information—have been assumed to be constant. Moreover, the increase in prices paid by consumers was smaller between 1942 and 1943 than it was between 1941 and 1942.

War Expenditures.

The movement of total gross national product was closely paralleled by the course of war expenditures for goods and services. These increased from 50.3 billion dollars to 81.3 billion between 1942 and 1943, a somewhat smaller increase than that which occurred in the previous year.

Only the quarterly data, however, reveal the sharpness of the retardation. Quarterly additions to war expenditures reached a peak of more than 13 billion dollars at annual rates in the second half of 1942. During 1943 they averaged only 3 billion. Though significant changes in the composition of war expenditures will undoubtedly occur, the 84-billion-dollar annual rate of war expenditures in the fourth quarter of 1943 was probably close

to the over-all level which can be anticipated for the duration of the full-scale war effort.

The static character of the picture is reflected also in the percentage of gross national product absorbed by war expenditures. It appears from table 2 that after a succession of quarterly increases, uninterrupted since the inception of the rearmament program, war expenditures in 1943 were stabilizing at about 45 percent of gross national product.

The composition of war expenditures underwent significant shifts, reflecting the transition of the war program from the mobilization phase to the stage of aggressive military operations. Between 1942 and 1943 the bulk of the increase in war expenditures occurred in munitions, though quarterly additions fell short of those in 1942. The sharpest percentage increases were registered in the items directly connected with the armed forces—in military pay, travel, and subsistence. War construction, on the other hand, declined sharply from quarter to quarter, and the 1943 level was substantially below the record volume reached in 1942.

Table 2.—Gross National Product and War Expenditures, 1939-43, Seasonally Adjusted Annual Rates

[Billions of dollars]			
Year and quarter	Gross national product	War expenditures	War expenditures as percent of gross national product
1939.....	88.6	1.4	2
1940.....	97.1	2.8	3
1941.....	119.6	12.8	11
1942.....	152.1	50.3	33
1943.....	186.5	81.3	44
1942 (By quarters)			
First.....	134.3	28.7	21
Second.....	146.3	43.2	29
Third.....	158.2	59.1	37
Fourth.....	160.4	70.3	41
1943 (By quarters)			
First.....	179.8	75.6	42
Second.....	185.0	82.9	45
Third.....	189.3	82.6	44
Fourth.....	191.7	84.0	44

Nonwar Government Expenditures.

Nonwar expenditures of Government in 1943 mirrored the general pattern that was being established throughout the economy, a period of rapid changes being followed by a tendency toward stabilization. A further substantial reduction occurred in Federal expenditures on public works and work relief, the latter category having been virtually discontinued by the middle of the year. Declines also occurred in the net current nonwar outlays of Government corporations. These movements were offset, mainly by a continued gain in interest payments on the national debt. These payments now constitute over one-third of nonwar budget expenditures and their steady growth will increasingly dominate the movement of the total. The limited information available on State and local expenditures suggests that after a period of steady decline

these expenditures also continued on an even level in 1943.

Private Gross Capital Formation.

Private gross capital formation amounted to only 2.2 billion dollars in 1943, compared with 7.5 billion in 1942 and a peak level of 19 billion in 1941. This sharp reduction highlights the extent to which the war program has been facilitated by adjustments in the capital goods flow of the Nation, drastic cuts in the output of private construction and producers' durable equipment being supplemented by drains on business inventories and on foreign claims.

Private construction fell from 2.9 billion dollars to 1.7 billion between 1942 and 1943. This decline followed one from 5.4 billion dollars to 2.9 billion in the preceding year. Between 1941 and 1942 the sharp reduction in private construction was dictated largely by the rapid expansion of war construction into which the resources set free in the private sphere were channeled. Reduced war construction requirements in 1943 did not, however, permit resumption of private activity, further curtailment in the private sphere being necessitated by shortages of building materials and manpower.

The quarterly movement of construction is difficult to interpret because it is subject to sharp seasonal variations which have departed from their usual pattern because of abnormal wartime conditions. In spite of this difficulty, however, a distinct steadying of private construction can be traced in 1943. After a period of precipitous decline which started at the end of 1941, private construction expenditures flattened out in 1943, there being no change after the second quarter of the year. A stabilization of private construction at approximately the present levels seems likely until such time as the supply of manpower and materials allows the resumption of a higher level of activity.

Gross additions to privately owned producers' durable equipment followed a different course from the pattern reflected by private construction. Although the 1943 level was substantially below that of 1942, moderate increases were registered during the year, reflecting the need to make good wear and tear of equipment on a scale sufficient to ensure efficient operations in vital industries. Even though reduced Government needs will lead to an easing of the position on the demand side, a substantial resumption of private purchases will not be possible as long as the shortage of manpower and of materials persists.

During 1943 the Nation continued to draw increasingly on its foreign balance to facilitate the high level of war activity. This is reflected in a net reduction in claims on abroad of 2 billion dollars during 1943 as compared with 0.2 in 1942. It should be noted that in estimating this component of national product no account is taken of lend-lease or of reciprocal lend-lease operations. These do not affect net foreign claims in a manner analogous to ordinary commercial or other Government

transactions. The fact that the foreign balance was drawn upon so heavily during 1943 was due to increasing Government expenditures abroad as well as to shifts in the merchandise items. Imports of merchandise increased partly as a consequence of the easing shipping situation. On the other hand, exports (exclusive of lend-lease and of direct shipments to the armed forces) dropped further, cash exports to countries outside the Western Hemisphere being increasingly replaced by lend-lease exports.

Net reduction of business inventories during 1943 is estimated at 0.5 billion dollars. This equals the total inventory liquidation registered in 1942, but falls below the annual rate obtaining in the second half of that year, when the curtailment of stocks started. The movement of the major types of inventory holdings was significantly different in the 2 years. In 1942 reductions were confined to wholesale and retail inventories while manufacturers' inventories continued to grow rapidly. In 1943 the liquidation occurred in retail inventories, wholesale and manufacturing inventories showing little change.

Consumers Expenditures.

The dollar volume of consumer expenditures¹ for goods and services reached a record total of 91 billion dollars in 1943, an 11 percent increase over the 1942 level. These expenditures constituted the only expanding nonwar component of national product. Only in a few lines most sharply affected by curtailment of production available for civilian use were dollar sales to consumers reduced in 1943. Expenditures for automobiles, gasoline, and furniture and household equipment declined further, the experience of 1942 being repeated, but on a much less drastic scale. These reductions were more than compensated by further substantial increases in expenditures for food, clothing, tobacco, jewelry, and services.

In explaining this unexpectedly large volume of consumer expenditures notice must first be taken of the support afforded by inventory liquidation. In this regard the net reduction of inventories as registered by the statistics is a very incomplete measure of the inventory support to consumer purchases, for two main reasons.

First, the value of inventory change as measured in the statistics is in terms of costs to business enterprises and thus does not include the mark-up to prices paid by consumers. Second, since a break-down of inventories into war and civilian categories is not available, reductions in business inventories that act as a support to civilian consumption may be offset by increases in inventories destined for war use without such sup-

¹ The estimates of consumer expenditures for goods have not been adjusted to the revised estimates of retail stores published in the November 1943 Survey. This adjustment will probably result in a somewhat larger increase in consumer expenditures from 1939 to 1943, though not large enough to affect the use of the data for broad analytical purposes.

port being evident from the aggregate statistics. In the light of what can be deduced from inventory data by industries about the movement of war goods in process, it is evident that the effective support which inventories have lent to civilian consumption is considerably in excess of the indicated net reduction in aggregate business inventories.

While some of the high level of consumer expenditures can be explained by reference to the inventory cushion, another part can be traced to increased production associated with war conditions. Thus, the wartime switch from meals prepared at home to restaurant meals involves a net addition to production as statistically measured. This is because the cost of preparing restaurant meals is counted as part of national product, whereas housewives' labor that goes into similar effort is not so counted. Or again, some of the increase in expenditures for clothing items may be attributed to an increased output of work clothes, especially for women going into industry.

In addition, the high level of and increase in consumer expenditures are due in part to a rise in prices rather than to an increase in physical quantities. When correction is made for the price rise by expressing consumer expenditures in constant dollars of 1939 the high level of consumer expenditures is considerably deflated and most of the increase between 1942 and 1943 disappears. But the deflated figures continue to indicate that on an over-all basis real consumption in 1943 exceeded that of 1942 and that it represented the highest year on record.

Table 3.—Consumer Expenditures for Goods and Services in 1939 dollars, 1939-43

Item	(Billions of dollars)				
	1939	1940	1941	1942	1943
Total goods and services.....	61.7	64.9	69.7	68.8	70.8
Foods.....	18.1	18.7	19.8	21.2	21.8
Clothing.....	6.8	7.0	7.7	8.2	9.4
Tobacco.....	1.8	1.9	2.1	2.3	2.5
Gasoline and oil.....	2.1	2.2	2.4	1.8	1.4
Other nondurable goods.....	3.8	4.1	4.6	4.8	5.6
Furniture, furnishings and household equipment.....	3.0	3.3	4.0	3.3	2.9
Automobiles and parts.....	2.3	2.8	2.9	.4	.3
Other durable goods.....	1.1	1.2	1.4	1.4	1.6
Services.....	22.7	23.8	24.8	25.4	25.4

The difficulty of correcting for price changes under present conditions has been emphasized on previous occasions of presenting deflated consumer expenditures. It is not possible to take account in these measurements of all quality changes, nor of the fact that all price quotations may not be representative, nor of the loss of consumer satisfaction which follows from greatly restricted freedom of choice owing to the disappearance of cheaper brands and the shortage of durable goods and some other commodities. In spite of all these difficulties and shortcomings it is believed

that the general impression of a high over-all level of real consumption which the figures show is not misleading.

Of course, the experience of every individual does not square with the conclusion suggested by the over-all statistics. The reason for this is that, as a consequence of the general prosperity which has accompanied the high level of economic activity, the aggregate volume of consumption is being shared among the population very differently than before the war. For instance, there can be no doubt that the millions of persons unemployed or normally outside the labor force who were absorbed into industry between 1939 and 1943 substantially increased their per capita consumption and that many other groups improved their economic position in a similar manner. On the other hand, many of those who were more fortunate previously have been affected by these new competitors with whom aggregate output has had to be shared. Many of the shortages with which some individuals are confronted have their explanation not in a low level of total production but in a large increase in the numbers of those who can claim an effective share. It should also be remembered that soldiers' expenditures for consumer goods are included in consumer expenditures and that they constitute an increasing proportion of the total.

National Income.

The national income, composed of the earnings of the labor and capital employed in the productive process, reached a new record total of 147.9 billion dollars in 1943. This aggregate exceeded the previous year's total of 121.6 billion by 22 percent and was more than double the national income in 1939.

Four-fifths of the 26.4 billion increase between 1942 and 1943 may be traced to the three branches of the income stream most directly affected by the large volume of Government war spending: wages and salaries in manufacturing, Federal Government pay rolls (including pay of the armed forces), and net income of farm operators. This pattern of income expansion was similar to that in 1942, when these three components accounted for nearly three-fourths of the 25 billion rise in the total. The extent of their disproportionate increase is indicated by the fact that they constituted only one-third of the total national income in 1941.

The quarterly estimates contained in table 8 reveal that during 1943 the national income continued the uninterrupted advance that began in the second quarter of 1938, the fourth quarter flow attaining an annual rate of 153.5 billions. However, the rate of expansion of national income—like that of national product—slackened materially during the year, reflecting primarily a tapering off in the expansion of the three components that have dominated the flow of income since the initiation of the Nation's rearmament program in 1940. The national income rose at successively sharper rates throughout the quarters of 1942, but in each of the first

three quarters of 1943 the rate of gain declined. The 2.4 percent rise from the third to the fourth quarter, though reflecting a very slight reversal of this trend, was only two-fifths the average quarterly rate of increase in 1942 and substantially less than the corresponding average of 3.9 percent for the first three quarters of 1943.

Approximately 70 percent of the total 1943 increase in private nonagricultural wages and salaries was, however, the direct result of the increase in average salary-wage within the various industrial components. It must be emphasized, of course, that the increase in average salary-wage in each industry is not solely the result of increased wage rates; rather, it is a composite result of changes in basic wage rates, hours of work, premium rates for overtime work, the occupational distribution of employment within each industry, including the results of upgrading, and other factors. It should be noted that, while wage rate increases granted in 1943 were moderate, those initiated in 1942 had their first full year of operation in 1943 and were a major influence behind the increase in total wage and salary payments in that year. The following table presents estimates of the percentage of the 1942 and 1943 increases in total non-agricultural pay rolls, excluding Government, and in manufacturing pay rolls separately, accountable to each of the three factors described.²

² The contribution of each of the three factors to the increase in total wages and salaries was computed by abstracting from the results of the other two factors, as described below for the 1942 to 1943 change. Nineteen forty-three weights were used. (1) Total employment in 1942 was distributed among industries by the 1943 employment pattern. The resulting employment figure was multiplied by 1943 average salary-wage in each industry, and the sum of the products was deducted from actual 1943 wages and salaries to obtain the increase in pay roll due to increased employment. (2) Total employment in 1943 was distributed among industries by the 1942 employment pattern. The resulting employment figure was multiplied by 1942 average salary-wage in each industry, and the sum of the products was deducted from actual 1943 wages and salaries to obtain the increase in pay roll due to shifts in the industrial composition of employment. (3) The sum of the products of 1943 employment and 1942 average pay, computed by industries, was deducted from actual 1943 wages and salaries to obtain the increase in pay roll due to increased average salary-wage within industries. The same method was followed, substituting 1941 and 1942 for 1942 and 1943, respectively, in analyzing the pay roll increase from 1941 to 1942. The most detailed industrial classification shown in table 14 was utilized in the calculations. Each of the three items, when related to base-year total pay rolls, is multiplicative in measurement of the percentage change in total pay rolls. However, since the added totals of the three absolute changes in every instance approximated the actual total change, the amount of change attributed to each of the factors by the procedure described above was expressed merely as a percentage of their total in order to simplify interpretation of the results.

Results so similar as not to alter conclusions drawn from the data presented were obtained for each column in the table by use of two alternative systems of weighting.

Total wages and salaries increased 21.6 billion dollars in 1943, slightly more than the 19.7 billion increase recorded in 1942. The 1943 aggregate of 102.0 billion was more than double the peacetime level of 1940. Owing to the rapid expansion of the armed forces, government pay rolls accounted for 8.5 billions, or 39 percent, of the total increase in 1943.

In the nongovernmental sphere, excluding agriculture, wages and salaries rose 12.8 billions, compared to an increase of 14.1 billions in 1942. Whereas in 1942 nearly one-third of the increase in pay rolls in this portion of the economy was ascribable to increased employment, only an estimated 16 percent of the 1943 increase could be credited to this factor. Shifts in the composition of employment towards industries in which earnings are relatively high—chiefly the metals, machinery, and transportation equipment component of manufacturing, and transportation—continued to exert a moderate upward influence on total pay rolls.

Percent of increase in pay roll—	All industries except Government and agriculture, factoring			
	1941-42	1942-43	1941-42	1942-43
Due to increased employment	31	16	43	46
Due to shifts in industrial distribution of employment	12	14	9	11
Due to increase in average salary-wage within industries	57	70	48	43

Taking the increase in manufacturing pay rolls alone, which comprised 79 percent of the increase in private nonagricultural salaries and wages from 1942 to 1943, one finds that employment increases, secured at the expense of declines in nearly all other industries except transportation and the Federal Government, were responsible for nearly one-half the 10.1 billion dollar increase in total manufacturing pay rolls. Shifts in the composition of manufacturing employment toward the higher paying manufacturing industries accounted for about 11 percent of the total pay-roll increase, while the substantially higher average salary-wage secured within the various manufacturing industries accounted for the remaining 43 percent of the rise in total manufacturing pay rolls from 1942 to 1943. Increased average hourly earnings were a much more important factor than lengthened hours in raising average salary-wage in nearly every manufacturing industry.

Net income of unincorporated enterprises rose 16.1 percent to a new record level of 23.9 billions. For the first time in recent history, the net income of farm operators represented more than one-half of this total.

From 1942 to 1943 net farm income increased 27 percent to an unprecedented total of 12.3 billion dollars. The 2.6 billion increase, however, was less than the 3.4 billion increase in the preceding year. As has been the case throughout the war period, the rise in farm prices was the major factor accounting for continued expansion of the farm income flow. Average farm prices in 1943 increased 21 percent, as compared with an increase of 28 percent in the previous year. Total farm production also con-

tinued to increase, though the gain of 5 percent was less than that of 10 percent in 1942. Crop output dropped, due primarily to less favorable weather conditions, but was more than offset by increased output of livestock.

Failure of net income of nonagricultural proprietors to rise more than the 0.7 billion shown in table 15 is mainly attributable to sharp declines in contract construction and in professional engineering and architectural service. The 11.6 percent increase in all other nonagricultural industries combined was almost as large as that in 1942. Dollar increases in entrepreneurial income were larger in 1943 than in 1942 in the important fields of trade; finance; motor transportation; and personal, business, and nonautomotive repair service. Income of proprietors in retail trade increased 14.3 percent to a new high level of 3.0 billion dollars, despite severe shortages in some lines of retail merchandise. The marked increases in most industries occurred in the face of a probable decline in the number of proprietors resulting from their entrance in the armed forces and their acceptance of favorable opportunities for employment on a wage or salary basis.

In contrast to a small decline in corporate profits after taxes recorded in 1942, the limited data available at this time indicate that profits in 1943 increased by about 7 percent. It must be emphasized that so soon after the end of the year information as to profits is very meager. Furthermore, great difficulty has been encountered in estimat-

Notes to Tables

Revisions have been made in prior year estimates to incorporate additional information that has become available in the past year. It should also be noted that because of the many changes that have occurred during the war the computation of the seasonal pattern of some of the components of gross national product and national income involves a considerable element of judgment. For notes on sources and methods the reader is referred to the March 1943 issue of the SURVEY OF CURRENT BUSINESS.

The following revisions in procedures should be mentioned—Table 1: In deflating gross national product Federal Government interest was held constant at the 1939 level. Table A: War expenditures have been adjusted for the renegotiation of war contracts. Offshore expenditures, formerly an adjustment to war expenditures, are now included in the balance of payments (net exports of goods and services). Net prepayments, another adjustment to war expenditures, have been revised to take account of changes in business receivables from government. Table B: An item, "Excess of personal tax payments over budget receipts," has been included to take account of amounts of income tax withheld or paid during the calendar year but not reported in budget receipts until later.

Table A.—Derivation of Government Expenditure Series, Calendar Years, 1939-43¹

Line	Item	[Billions of dollars]				
		1939	1940	1941	1942	1943
1	I. Federal budget expenditures:					
2	Interest on public debt	1.0	1.1	1.1	1.5	2.2
3	Social Security program	.5	.5	.6	.7	.8
4	Veterans' Administration	.6	.6	.6	.6	.6
5	Aids to agriculture	1.5	1.3	1.1	1.2	1.1
6	Public works	1.1	.8	.7	.6	.5
7	Work relief and civilian conservation corps	2.1	1.8	1.5	.7	.1
8	Other	.8	.9	.8	.9	1.0
9	Total nonwar expenditures	7.5	6.9	6.4	6.2	6.2
10	War expenditures	1.4	2.8	12.7	49.9	81.9
11	Total budget expenditures	8.9	9.7	19.1	56.0	88.1
12	II. Derivation of war expenditure series:					
13	Budget war expenditures	1.4	2.8	12.7	49.9	81.9
14	War corporations, net nonloan transactions		(?)	.6	2.2	3.3
15	Net prepayments, purchases of existing assets, renegotiation, etc. (deduct)		.1	.5	1.5	2.8
16	Allowances to soldiers' dependents (deduct)				.1	1.0
17	War expenditures on goods and services	1.4	2.8	12.8	50.3	81.3
18	III. Derivation of Federal nonwar expenditures series:					
19	Budget nonwar expenditures	7.5	6.9	6.4	6.2	6.2
20	Capital transactions (deduct)	.4	(?)	(?)	.1	.1
21	Refunds of taxes and duties (deduct)	.1	.1	.1	.1	.1
22	Relief and veterans' pensions (deduct)	.7	.7	.8	.8	.8
23	Transfers to trust accounts (deduct)	.2	.3	.4	.5	.5
24	Government employees' retirement fund, U. S. share	.1	.1	.1	.1	.1
25	Corporations, nonwar, net nonloan transactions	.3	.1	.1	.3	(?)
26	Federal nonwar expenditures on goods and services	6.5	6.1	5.3	5.0	4.9
27	IV. Derivation of state and local expenditure series:					
28	State and local expenditures	8.9	8.6	8.5	7.9	7.7
29	Relief (deduct)	.8	.7	.7	.6	.5
30	State and local expenditures on goods and services	8.1	7.9	7.8	7.3	7.2
31	V. Derivation of transfer payment series:					
32	Pensions and relief included in budgets	1.5	1.5	1.4	1.5	2.4
33	Food stamps and veterans' bonus	(?)	.1	.1	.1	(?)
34	Payments from Social Insurance funds	.9	1.0	.9	1.0	.8
35	Total transfer payments	2.4	2.6	2.5	2.7	3.2

¹ Detail will not necessarily add to totals because of rounding.

² Less than \$50,000,000.

Table B.—Derivation of Government Receipt Series, Calendar Years, 1939-43¹
(Billions of dollars)

Line		1939	1940	1941	1942	1943
I. Federal budget receipts:						
Income and profit taxes:						
1	Individual income.....	.9	1.0	1.6	4.1	14.5
2	Corporation income and profit.....	1.0	1.3	2.6	7.0	12.2
3	Total.....	1.9	2.4	4.3	11.1	26.6
Miscellaneous internal revenue:						
4	Estate and gift.....	.4	.3	.4	.5	.5
5	Capital stock.....	.1	.2	.3	.3	.4
6	Other.....	1.8	2.1	2.7	3.5	4.1
7	Total.....	2.3	2.6	3.4	4.4	4.9
8	Employment taxes.....	.8	.9	1.0	1.3	1.6
9	Customs.....	.3	.3	.4	.3	.4
10	Nontax receipts.....	.2	.3	.5	.3	2.2
11	Total budget receipts.....	5.5	6.4	9.6	17.4	35.8
12	Less: Appropriations to old-age account.....	.6	.6	.8	1.0	1.2
13	Net budget receipts.....	4.9	5.8	8.8	16.4	34.6
II. Derivation of Federal tax and nontax series:						
14	Total budget receipts.....	5.5	6.4	9.6	17.4	35.8
15	Employment taxes (deduct).....	.8	.9	1.0	1.3	1.6
16	Capital transactions in nontax receipts (deduct).....	.1	.2	.4	.1	1.9
17	Excess of business tax liabilities over collections.....	.3	1.3	4.7	4.4	2.5
17a	Excess of personal tax payments over budget receipts.....					1.2
18	Total Federal tax and nontax series.....	4.9	6.7	12.9	20.3	36.1
Business tax and nontax liabilities:						
19	Corporation income and profits.....	1.2	2.6	7.2	11.5	14.7
20	All other.....	2.4	2.7	3.7	4.2	5.1
21	Total.....	3.6	5.3	10.8	15.7	19.8
22	Personal tax and nontax payments.....	1.8	1.4	2.0	4.7	16.3
23	Total.....	4.9	6.7	12.9	20.3	36.1
III. State and local receipts:						
State:						
24	Sales taxes:					
25	Gasoline.....	.8	.9	1.0	.9	.7
26	General.....	.5	.5	.6	.6	.7
26	Other.....	.3	.3	.4	.5	.4
27	Total.....	1.6	1.7	2.0	1.9	1.8
28	Taxes on specific business and licenses.....	.8	.9	.9	.9	.9
29	Individual income.....	.2	.2	.2	.3	.3
30	Estate and gift.....	.1	.1	.1	.1	.1
31	Corporation income.....	.1	.2	.2	.3	.4
32	Other taxes.....	.1	.1	.1	.1	.1
33	Nontax receipts.....	.4	.4	.4	.4	.4
34	Property taxes (State and local).....	4.3	4.4	4.5	4.6	4.6
35	Other local taxes and nontax receipts.....	1.0	1.0	1.0	1.0	1.0
36	Total receipts.....	8.7	9.1	9.5	9.7	9.8
IV. Derivation of State and local tax and nontax series:						
37	Total receipts.....	8.7	9.1	9.5	9.7	9.8
38	Excess of business tax liabilities over collections.....	(?)	(?)	.1	.1	.1
39	Total State and local tax and nontax series.....	8.7	9.1	9.6	9.8	9.9
Business tax and nontax liabilities:						
40	Corporation income.....	.2	.2	.3	.4	.5
41	All other.....	6.6	7.0	7.4	7.5	7.4
42	Total.....	6.8	7.2	7.7	7.9	7.9
43	Personal tax and nontax payments.....	1.9	1.9	1.9	1.9	2.0
44	Total.....	8.7	9.1	9.6	9.8	9.9
V. Derivation of contribution to social insurance fund series:						
45	Employment taxes in Federal budget.....	.8	.9	1.0	1.3	1.6
46	Other employment taxes.....	1.0	1.1	1.4	1.6	1.8
47	Government contributions to Government employee retirement funds.....	.2	.2	.2	.2	.3
48	Total contributions to social insurance funds.....	2.0	2.1	2.6	3.2	3.8

¹ Detail will not necessarily add to totals because of rounding.
² Less than \$50,000,000.

ing profits after adjustment for the effect of renegotiation of war contracts. There is little doubt, however, that profits rose in 1943 to an all-time high. Whereas 1942 earnings were adversely affected by the substantial increase in income and excess profits taxes that became effective in that year, the application of the same tax rates to 1943 returns allowed net profits to respond to the enlarged volume of business. Dividends increased to only a negligible extent in 1943 so that the rise in profits was reflected almost entirely in the advance of corporate savings.

The sharp increase from 1.5 billion dollars to 2.2 billion in interest payments on the Federal debt more than offset small declines of interest payments in most other industrial divisions. Simi-

larly, a single industry—agriculture—accounted for the major part of the increase in net rents and royalties. Because they increased less than most other types of income, interest and net rents and royalties continued to decline as percentages of the national income.

In view of the frequent misuse of the distributive shares statistics in discussions of how various economic groups have fared during the war years, certain limitations of the data should be recognized. First it must be noted that the data refer to group aggregates and are not indicative of changes in per capita income. Furthermore, the statistics offer little indication of the size distribution of income because many individuals receive more than one type of income and because of the wide dispersion in the

size of individual receipts within every type of distributive share. Finally, the fact that the statistics for all shares cannot be calculated after taxes in a comparable manner further restricts their use as a measure of the effective distribution of income.

Cost Pattern in Private Economy.

The distributive shares data most directly reflect the costs of the various factors of production to the economy as a whole. Many arrangements of the data are possible in analyzing such cost changes, the choice depending upon the nature of the problem at hand. One possible arrangement is presented in table 4 as a suggestion of the use to which these data can be put.

In this table payments to factors of production employed by government have been eliminated from the gross national product, leaving as a remainder the value of business sales to consumers, to government, and to business itself for capital purposes. Interbusiness transfers of goods in process are, of course, excluded. The details in the table show the various charges which in the aggregate account for total business receipts from sales.

In spite of the spectacular changes in the volume and composition of production, the proportion of wages and salaries has continued relatively stable at approximately half of business receipts from sales. Significantly, a decline in the relative share of employee incomes between 1939 and 1941, the period preceding the transition to a controlled war economy, was followed by a relative increase in 1942 and 1943.

Table 4.—Percentage Distribution of Gross National Product, 1939-43

Item	1939	1940	1941	1942	1943
Total gross national product.....	100.0	100.0	100.0	100.0	100.0
Government product.....	11.2	10.5	9.2	10.6	13.5
Business product or sales receipts.....	88.8	89.5	90.8	89.4	86.5
Allocation of business receipts from sales.....	100.0	100.0	100.0	100.0	100.0
Compensation of employees.....	50.2	49.7	48.4	50.1	51.6
Net income of farm proprietors.....	5.4	5.0	5.6	7.0	7.7
Net income of other proprietors.....	8.7	8.7	8.5	7.9	7.2
Interest.....	4.5	4.0	3.2	2.5	2.1
Net rents and royalties.....	2.9	2.6	2.4	2.4	2.4
Net corporate profits after taxes.....	5.4	6.7	7.5	6.1	5.6
Corporate income and profit taxes.....	1.5	2.0	6.3	3.3	9.2
Other business taxes, Depreciation, depletion, and other charges and reserves.....	11.7	11.3	10.0	8.7	8.1
	9.8	9.1	8.1	7.0	6.1

NOTE.—In calculating the percentages in this table the inventory revaluation adjustment and the adjustment for discrepancies have been excluded. Detail will not necessarily add to totals owing to rounding.

The remainder of business sales receipts was accounted for by entrepreneurial and property incomes and by charges against business incomes, such as taxes, depreciation, reserves, etc. Pronounced shifts occurred among the components. In the period under consideration all property incomes that are

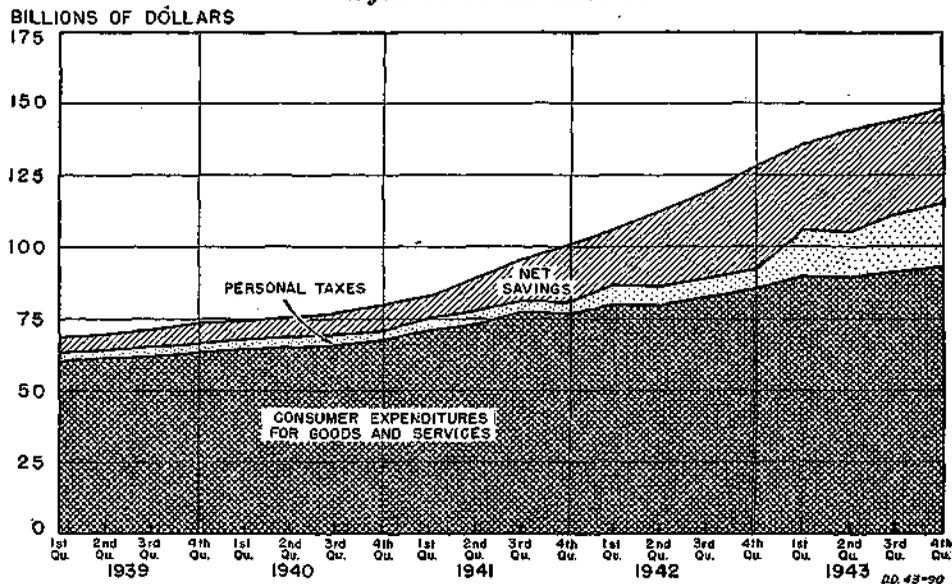
Table 5.—Percentage Distribution of Income Originating in Private Industry by Industrial Division, 1939-43

Industrial division	1939	1940	1941	1942	1943
All private industry.....	100.00	100.00	100.00	100.00	100.00
Agriculture.....	8.60	7.90	8.64	10.54	11.39
Mining, total.....	2.21	2.35	2.28	2.12	2.00
Anthracite coal.....	.19	.19	.18	.17	.16
Bituminous coal.....	.82	.91	.91	.91	.87
Metal.....	.40	.45	.40	.36	.33
Nonmetal.....	.23	.28	.25	.24	.21
Oil and gas.....	.57	.57	.54	.44	.43
Manufacturing, total.....	27.38	30.95	33.38	36.49	39.17
Food and kindred products.....	3.90	3.69	3.41	3.16	3.07
Paper, printing, and publishing.....	2.84	2.31	2.57	2.10	2.01
Textiles and leather.....	4.46	4.23	4.60	4.32	4.08
Construction materials and furniture.....	2.52	2.67	2.82	2.53	2.33
Chemicals and petroleum refining.....	2.44	2.98	2.81	2.83	2.86
Metals, machinery, and transportation equipment.....	10.34	12.65	15.51	18.91	23.00
Rubber and miscellaneous.....	1.28	1.42	1.60	1.64	1.82
Contract construction.....	3.19	3.20	4.18	5.40	8.52
Transportation, total.....	8.14	8.00	7.51	7.69	7.78
Steam railroads, Pullman and express.....	4.66	4.60	4.50	4.70	4.61
Water transportation.....	.79	.80	.70	.60	.74
Street railways.....	.57	.52	.41	.41	.43
Motor transportation, public warehouses, and other transportation.....	2.12	2.08	1.90	1.89	2.00
Power and gas.....	2.40	2.36	1.93	1.50	1.32
Communication.....	1.52	1.39	1.18	1.09	.94
Trade, total.....	18.01	17.98	17.39	15.10	14.19
Retail.....	11.73	11.75	11.27	9.73	9.27
Wholesale.....	6.28	6.23	6.11	5.37	4.92
Finance, total.....	11.17	10.38	9.00	8.03	7.51
Banking.....	1.61	1.63	1.46	1.29	1.20
Insurance.....	1.98	1.71	1.38	1.21	1.06
Security, brokerage, and real estate.....	7.60	7.04	6.16	5.53	5.25
Service.....	11.55	11.22	9.83	9.04	8.42
Miscellaneous.....	5.33	5.17	4.69	4.09	3.76

not contractually fixed were favorably affected by the circumstance that fixed cost charges represented a decreasing proportion of total sales. Thus, for instance, interest charges declined from 4.5 percent to 2.1 percent of business sales receipts between 1939 and 1943. The proportion of depreciation, depletion, and other business charges and reserves declined from 9.8 percent to 6.1 percent, and business taxes (exclusive of corporation income and excess profits taxes), many of which do not vary with the volume of sales, declined from 11.7 percent to 8.1 percent. In summary, the aggregate of these relatively fixed items declined from more than one-fourth to less than one-sixth of sales.

The increasing share that remained was distributed between payments not contractually fixed in a manner which clearly mirrors governmental actions as well as the general business situation. The relative share of farm proprietors increased sharply after 1941, reflecting mainly the rise of farm prices as compared with other prices, while the relative shares of nonagricultural proprietors declined. Net profits of incorporated business accounted for an increasing percentage of the total until 1941. Although data for 1942 and 1943 are subject to revision they indicate a fairly stable percentage share of profits before taxes, and a decline in the share of profits measured after taxes. The leveling off in profits before taxes reflects a

Chart 2.—Disposition of Income Payments to Individuals, Seasonally Adjusted at Annual Rate



Source: U. S. Department of Commerce.

number of influences. As the scale of operations approached capacity the reduction of unit costs that attended an increase in output became smaller or was eliminated. Since industrial prices were in general fairly effectively controlled, increasing payments for labor under these conditions tended to limit profit expansion.

Industrial Origin of Income.

The major industrial shifts which the requirements of the war program had imposed upon the economy in 1942 be-

came even more pronounced in 1943. The share of total national income originating in Government increased rapidly and accounted for 17 percent of the total. As can be seen from table 5, within the private sphere the metal and metal product manufacturing industries registered the most rapid growth and gave rise to 23 percent of the national income originating in private industry. The chemicals and petroleum refining and rubber industries also further increased their shares. Other manufacturing industries continued to lose in relative importance.

Table 6.—Absorption of Gross Savings by Federal Government, 1939-43¹
(Billions of dollars)

Line	Item	1939	1940	1941	1942	1943
1	Net savings of individuals.....	6.0	7.3	14.2	28.0	33.0
2	Net corporate savings.....	.4	1.8	4.0	4.4	4.9
3	Net business tax accruals.....	.3	1.3	4.3	4.6	2.8
3a	Excess of personal tax payments over budget receipts.....					1.2
4	Depreciation and depletion charges.....	6.2	6.4	7.0	7.7	8.2
5	Capital outlays charged to current expense.....	.7	.9	1.3	1.1	.8
6	Other business reserves.....	.8	.7	.8	.8	.8
7	Inventory revaluation adjustment.....	-.4	-.4	-3.2	-2.1	-.2
8	Adjustment for discrepancies.....	0	-.4	-1.7	-.6	1.2
9	Gross private savings.....	14.1	17.5	27.2	43.9	52.7
10	Less: Private gross capital formation.....	10.9	14.8	19.0	7.5	2.2
11	Gross private savings available to government.....	3.2	2.7	8.2	36.5	50.6
12	State and local surplus.....	-.3	.4	1.0	1.9	2.1
13	Social insurance fund savings.....	1.0	.9	1.5	2.1	2.0
14	Total gross savings available to Federal Government.....	3.9	4.1	10.8	40.4	55.7
15	Net budget deficit.....	4.0	3.8	10.2	39.6	53.5
16	Net expenditures in checking accounts of government corporations, etc.....	-.8	-.2	1.1	3.6	2.4
17	Increase in general fund balance.....	-.6	-.5	1.6	7.0	1.8
18	Increase in public debt.....	2.5	3.1	12.0	50.2	57.7
19	Less: Increase in general fund balance.....	-.6	-.5	1.6	7.0	1.8
20	Less: Other increase in public debt not requiring saving.....	-.8	-.4	.5	2.8	.2
21	Increase in public debt not requiring saving.....	-1.4	-1.0	2.2	9.8	2.0
22	Total gross savings absorbed by Federal Government.....	3.9	4.1	10.8	40.4	55.7

¹Detail will not necessarily add to totals because of rounding.

Outside the manufacturing group agriculture was the only industry which registered a significant relative gain in 1943. Contract construction, which had accounted for a rapidly growing proportion of the total until 1942, dropped sharply in 1943, reflecting the end of the construction phase of the war program. The shares of mining and of transportation remained relatively stable, while power and gas, communications, trade, finance, and the services proper continued to lose in relative position.

Flow of Savings.

As may be seen from table 6, gross financial savings, inclusive of business depreciation charges and other reserves and the surpluses of State and local governments and social insurance funds, amounted to 57.9 billion dollars in 1943. The vast bulk of these funds, all but 2.2 billion which financed private gross capital formation, was offset by the growing gap between the expenditures and receipts of the Federal Government.

The identity between gross financial savings on the one hand and private gross capital formation plus the Government deficit on the other is being emphasized here because clear recognition of it is essential in interpreting savings statistics. Since under present conditions the influence on private gross capital formation and on the Government deficit of individual and business saving and spending propensities can safely be neglected as a first approxima-

tion, it follows that the trend of total savings can be explained independently of these propensities, by reference to the movement of capital formation and of the Government deficit.

While total gross savings continued to increase during the past year, the rise in 1943 was much less than the increase in 1942—10 billion dollars as against 18 billion. This was simply a reflection of the leveling off in the Federal deficit resulting from both a sharp increase in revenues and a deceleration in the rise of expenditures. This is not to deny that the spending-saving decisions of individuals have relevance for the interpretation of the savings statistics. What they determine is not the total volume of savings, however, but the apportionment of savings between consumers and the business system and, perhaps more important, the level of income out of which the savings are made.

Individual savings, including the net savings of unincorporated business, constituted the most important component of total savings in the rearmament and war years, reaching 33 billion dollars in 1943. While a new record total was thus established, the increase of individual savings in 1943 was considerably less than in the previous year, 5 billion dollars as against 14 billion in 1942.

Individuals saved 27 percent of their disposable income in 1943. This was substantially the same ratio as in 1942, even though the level of income was considerably higher. In prior war years the rising level of disposable income had—

in the general setting of price control—been accompanied by a sharply increasing percentage of disposable incomes saved. While the changing relation in 1943 was undoubtedly due to a number of causes, a heavy increase in personal tax payments resulting from the Revenue Act of 1942 and the Current Tax Payments Act of 1943 was most important. If comparison is made of the ratio of taxes plus savings to income payments, instead of the ratio of savings to disposable income, 1943 shows a considerable gain over 1942.

In addition to this there were several other factors which tended to raise the savings ratio in 1942 but not in 1943 and hence help to explain why the gain registered between 1941 and 1942 was not repeated between 1942 and 1943. In the first place, consumer expenditures on durable goods declined sharply in 1942 but remained constant in 1943. With price control of available commodities fairly effective, this resulted in a non-recurrent gain in the savings ratio between 1941 and 1942. Furthermore, in the dynamic situation of 1942 windfall income gains, which were not taken into account in planning consumption, tended to increase the ratio of savings to income. In 1943 such gains were of smaller importance owing to the decided leveling off in incomes. It may also be mentioned that the decline of consumer credit was much smaller in 1943 than in 1942, because the contractual obligations had been so largely liquidated.

Table 7.—Gross National Product or Expenditure, Quarterly, 1939-43: Seasonally Adjusted Annual Rates¹
(Billions of dollars)

Line	Item	1939				1940				1941				1942				1943			
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
1	Gross national product or expenditure.....	85.9	86.2	88.9	93.4	95.0	93.4	97.0	103.1	109.7	115.5	123.6	129.5	134.3	146.3	158.2	169.4	179.8	185.0	189.3	191.7
2	Government expenditures.....	15.7	16.0	16.4	16.9	15.3	15.6	16.6	18.9	21.3	23.0	26.8	32.9	40.7	55.4	71.4	82.0	87.4	94.3	95.3	96.4
3	Federal Government.....	7.4	7.9	8.3	8.0	7.9	7.7	8.7	11.1	13.5	15.1	19.0	25.0	33.4	49.1	64.2	74.8	80.3	87.1	88.2	89.2
4	War.....	1.2	1.3	1.4	1.5	1.7	2.0	2.6	4.8	7.7	10.0	13.9	19.7	28.7	43.2	59.1	70.3	75.6	82.9	82.6	84.0
5	Nonwar.....	6.2	6.6	6.9	6.4	6.2	5.7	6.1	6.2	5.8	5.1	5.1	5.3	4.6	5.9	5.1	4.4	4.6	4.2	5.6	5.2
6	State and local government.....	8.3	8.1	8.1	8.0	7.9	7.9	7.9	7.9	7.8	7.8	7.3	7.3	7.4	7.3	7.2	7.2	7.2	7.2	7.2	7.2
7	Output available for private use.....	70.2	70.3	72.5	77.4	79.2	77.9	80.5	84.1	88.4	92.6	96.8	96.7	93.6	99.9	96.5	87.4	92.4	90.7	94.0	95.4
8	Private gross capital formation.....	9.8	9.2	10.5	14.2	14.7	12.9	14.9	16.9	17.4	18.9	19.5	20.3	13.3	10.4	4.1	2.1	2.1	1.3	2.8	2.4
9	Construction.....	3.4	3.6	3.7	3.8	4.0	4.2	4.4	4.7	5.1	5.4	5.6	5.5	4.3	3.2	2.3	2.0	1.8	1.6	1.6	1.0
10	Producers' durable equipment.....	5.0	5.2	5.4	6.3	6.5	6.5	6.8	7.7	9.1	9.6	8.1	9.0	7.1	5.9	4.3	3.1	2.8	2.8	3.2	3.6
11	Net change in business inventories.....	.4	-.4	.3	2.8	2.3	.2	1.9	2.8	2.2	3.1	3.8	4.9	1.0	1.4	-2.3	-2.6	-1.0	-1.4	.3	.1
12	Net exports of goods and services.....	.7	.6	.7	1.1	1.8	1.6	1.3	1.3	.9	.7	1.6	.8	.1	-.2	-.3	-.4	-1.4	-1.7	-2.2	-2.7
13	Net exports and monetary use of gold and silver.....	.2	.3	(3)	.3	.2	.4	.1	.5	(3)	.1	.5	.1	.2	.1	.1	(3)	-.1	(3)	(3)	-.2
14	Consumers' goods and services.....	60.4	61.0	62.0	63.2	64.6	65.0	65.9	67.2	71.0	73.7	77.3	76.4	80.3	79.5	82.8	85.4	90.3	89.4	91.1	93.0
15	Durable goods.....	6.1	6.2	6.4	6.3	7.1	7.2	7.4	8.0	9.1	9.7	9.5	8.1	7.1	5.9	6.3	6.4	6.3	6.3	6.8	6.5
16	Non-durable goods.....	31.9	32.3	32.8	33.4	33.8	34.1	34.6	35.1	37.0	33.9	42.3	42.1	43.5	40.1	48.0	50.7	55.2	53.8	54.8	57.0
17	Services.....	22.4	22.5	22.8	23.0	23.7	23.7	23.9	24.2	24.8	25.2	25.6	26.2	26.7	27.5	27.9	28.3	28.6	29.3	29.5	29.4

¹ Detail will not necessarily add to totals because of rounding.

² Less than \$50,000,000.

Table 8.—National Income by Distributive Shares, Quarterly, 1939-43: Seasonally Adjusted Annual Rates¹
(Billions of dollars)

Line	Item	1939				1940				1941				1942				1943			
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
1	Total national income.....	68.4	69.1	71.2	74.4	74.8	76.1	77.8	81.5	85.6	94.2	101.7	105.9	110.6	117.4	124.7	133.7	141.4	146.7	149.9	153.5
2	Total compensation of employees.....	46.9	47.2	48.1	49.9	50.4	51.2	52.8	54.6	57.4	62.5	67.3	70.6	75.0	80.4	86.3	93.5	99.7	103.0	107.0	110.2
3	Salaries and wages.....	42.9	43.2	44.3	46.3	46.8	47.6	49.1	51.0	53.7	58.7	63.7	67.0	71.5	77.0	83.1	90.3	96.5	100.8	103.8	106.9
4	Supplements.....	4.0	3.9	3.7	3.6	3.7	3.6	3.7	3.7	3.8	3.8	3.6	3.6	3.5	3.4	3.2	3.1	3.1	3.1	3.2	3.3
5	Net income of proprietors.....	10.8	10.8	11.1	11.8	11.8	11.8	11.7	12.6	13.6	15.3	16.9	17.6	19.2	20.0	20.0	22.2	23.3	24.2	24.0	24.1
6	Agricultural.....	4.2	4.1	4.3	4.6	4.5	4.3	4.1	4.6	5.0	6.0	6.8	7.3	8.5	9.3	9.9	11.0	12.0	12.7	12.3	12.2
7	Nonagricultural.....	6.6	6.7	6.9	7.2	7.3	7.5	7.6	8.0	8.6	9.3	10.0	10.3	10.7	10.7	11.0	11.1	11.4	11.5	11.6	11.9
8	Interest and net rents.....	7.4	7.3	7.3	7.5	7.5	7.4	7.4	7.5	7.7	7.9	8.1	8.3	8.6	8.7	8.9	9.2	9.4	9.8	10.0	10.2
9	Net corporate profits.....	3.5	3.8	4.6	5.2	5.0	5.6	5.9	6.8	6.9	8.4	9.3	9.4	7.9	8.2	8.6	8.9	9.0	8.9	8.9	9.0

¹ Detail will not necessarily add to totals because of rounding.

Table 9.—Disposition of Income Payments, Quarterly, 1939-43: Seasonally Adjusted Annual Rates¹

[Billions of dollars]

Line	Item	1939				1940				1941				1942				1943			
		I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
1	Income payments to individuals.....	69.0	69.4	71.1	73.0	74.1	75.0	76.5	79.1	83.2	90.4	96.8	100.5	106.5	112.6	119.5	128.1	135.7	141.0	144.1	148.0
2	Less: Personal taxes and nontax pay- ments.....	3.1	3.1	3.1	3.1	3.3	3.3	3.3	3.3	4.0	4.0	4.0	4.0	6.6	6.6	6.6	6.6	15.3	15.6	20.1	22.1
3	Federal.....	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	2.0	2.0	2.0	2.0	4.7	4.7	4.7	4.7	13.3	13.6	18.1	20.1
4	State and local.....	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0
5	Equals: Disposable income of indi- viduals.....	65.9	66.3	68.0	70.5	70.8	71.7	73.2	75.8	79.2	86.4	92.8	96.5	99.8	105.9	112.8	121.5	120.4	125.4	124.0	125.9
6	Less: Consumer expenditures.....	60.4	61.0	62.0	63.2	64.6	65.0	65.9	67.2	71.0	73.7	77.3	76.4	80.3	79.5	82.8	85.4	80.3	89.4	91.1	98.0
7	Equals: Net savings of individuals.....	3.5	5.3	6.0	7.3	6.8	6.7	7.3	8.6	8.2	12.7	15.5	20.1	19.6	26.4	30.0	36.1	30.1	36.0	32.9	33.0

¹ Detail will not necessarily add to totals because of rounding.

Table 10.—Gross National Product or Expenditure, Quarterly, 1939-43¹

[Billions of dollars]

Line	Item	1939					1940					1941					1942					1943				
		I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total
1	Gross national product or expenditure.....	20.5	21.9	21.8	24.5	88.6	22.7	23.6	23.7	27.1	97.1	26.0	29.8	30.4	34.0	119.6	32.4	36.9	39.3	43.5	152.1	43.0	46.7	47.8	49.0	186.5
2	Government expenditures for goods and services.....	4.0	4.2	3.8	4.1	16.0	3.9	4.1	3.9	4.9	16.7	5.3	6.0	6.4	8.4	26.0	10.2	14.3	17.5	20.6	62.6	21.7	23.9	23.5	24.3	93.3
3	Federal Government.....	1.8	2.1	2.0	2.0	7.9	1.9	2.0	2.1	2.8	8.8	3.3	3.9	4.7	6.3	18.1	8.3	12.4	15.9	18.7	55.4	19.0	22.0	21.9	22.3	86.2
4	War.....	0.3	0.3	0.4	0.4	1.4	0.5	0.6	0.6	1.2	2.8	1.9	2.3	3.5	4.9	12.3	7.2	10.8	14.8	17.6	50.3	18.9	20.7	20.9	21.0	81.3
5	Nonwar.....	1.5	1.7	1.7	1.6	6.5	1.5	1.5	1.4	1.6	6.0	1.4	1.4	1.2	1.3	6.3	1.1	1.6	1.2	1.1	5.0	1.0	1.3	1.2	1.3	4.9
6	State and local government.....	2.2	2.1	1.8	2.1	8.1	2.0	2.1	1.7	2.1	7.9	2.0	2.1	1.7	2.1	7.8	1.9	1.9	1.6	1.9	7.3	1.8	1.9	1.6	1.9	7.2
7	Output available for private use.....	16.5	17.7	18.0	20.4	72.6	18.8	19.5	19.9	22.3	80.4	20.7	23.3	24.0	25.6	93.6	22.2	22.6	21.8	22.9	89.4	21.3	22.8	24.3	24.7	93.1
8	Private gross capital forma- tion.....	2.3	2.3	2.8	3.6	10.9	3.3	3.2	3.8	4.3	14.8	4.1	4.7	5.1	5.1	19.0	3.4	2.8	1.5	-2	7.5	4	1.8	-4	2.2	
9	Construction.....	0.7	0.9	1.1	1.0	3.6	0.8	1.1	1.3	1.2	4.3	1.0	1.4	1.6	1.4	5.4	0.9	0.9	0.7	0.5	2.9	0.3	0.4	0.5	0.4	1.7
10	Residential.....	0.4	0.5	0.6	0.5	2.0	0.4	0.6	0.7	0.7	2.4	1.5	1.7	1.9	1.7	2.9	1.5	1.5	1.3	1.2	2.5	1.1	1.2	1.2	1.2	0.8
11	Other.....	0.3	0.4	0.5	0.5	1.6	0.4	0.5	0.6	0.5	2.0	0.5	0.6	0.7	0.7	2.5	0.4	0.4	0.4	0.3	1.5	0.2	0.2	0.2	0.2	0.8
12	Producers' durable equipment.....	1.8	1.3	1.3	1.0	5.5	1.6	1.0	1.7	1.9	6.0	2.3	2.4	2.0	2.2	8.9	1.8	1.5	1.1	0.8	5.1	0.7	0.7	0.8	0.9	3.1
13	Net change in business inventories.....	0.1	-0.1	0.2	0.7	0.9	0.6	(?)	0.5	0.7	1.8	0.6	0.8	1.0	1.2	3.5	0.7	0.4	-2	-1.4	-0.5	-0.3	1.1	-1.0	-0.5	
14	Net exports of goods and services.....	0.2	0.2	0.2	0.3	0.8	0.4	0.4	0.3	0.3	1.5	0.2	0.2	0.4	0.2	1.0	(?)	(?)	-1	-1	-2	-0.3	-0.4	-0.6	-0.7	-2.0
15	Net exports and monetary use of gold and silver.....	(?)	0.1	(?)	0.1	0.2	(?)	0.1	(?)	0.1	0.3	(?)	(?)	0.1	(?)	0.2	0.1	(?)	(?)	(?)	0.1	(?)	(?)	(?)	(?)	-0.1
16	Consumers' goods and services.....	14.2	15.4	15.2	16.9	61.7	15.3	16.2	16.1	18.0	65.7	16.6	18.6	18.9	20.5	74.6	18.8	19.8	20.3	23.1	82.0	20.9	22.5	22.5	25.1	91.0
17	Durable goods.....	1.3	1.7	1.5	2.0	6.4	1.5	2.0	1.7	2.3	7.4	1.9	2.6	2.2	2.3	9.1	1.4	1.5	1.5	2.0	6.4	1.2	1.6	1.6	2.1	6.5
18	Nondurable goods.....	7.3	8.1	8.0	9.2	32.6	7.9	8.4	8.4	9.7	34.4	8.5	9.7	10.3	11.6	40.1	10.7	11.4	11.9	14.0	45.0	12.4	13.5	13.6	15.6	55.2
19	Services.....	5.6	5.6	5.7	5.7	22.7	6.0	5.9	6.0	6.0	23.9	6.2	6.3	6.4	6.5	25.4	6.7	6.9	6.9	7.1	27.6	7.2	7.3	7.3	7.4	29.2

¹ Detail will not necessarily add to totals because of rounding.

² Less than \$50,000,000.

Table 11.—National Income by Distributive Shares, Quarterly, 1939-43¹

[Billions of dollars]

Line	Item	1939					1940					1941					1942					1943				
		I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total
1	Total national income.....	16.7	17.2	17.6	19.4	70.8	18.2	18.7	19.2	21.4	77.6	21.0	23.3	25.3	27.3	96.9	26.5	28.8	31.4	34.8	121.6	34.4	36.4	37.5	39.6	147.9
2	Total compensation of em- ployees.....	11.6	11.9	11.8	12.8	48.1	12.4	12.8	13.0	14.1	52.3	14.3	15.7	16.6	17.8	64.5	18.3	20.0	21.7	23.8	83.8	24.7	26.1	26.6	27.8	105.2
3	Salaries and wages.....	10.6	10.9	10.9	11.9	44.2	11.5	11.9	12.1	13.2	48.6	13.4	14.8	15.7	16.9	60.8	17.4	19.2	20.9	23.1	80.5	24.0	25.3	25.8	26.9	102.0
4	Supplements.....	1.0	1.0	0.9	0.9	3.9	0.9	0.9	0.9	0.9	3.7	1.0	1.0	0.9	0.9	3.7	0.9	0.8	0.8	0.8	3.3	0.8	0.8	0.8	0.8	3.2
5	Net income of proprietors.....	2.6	2.6	2.8	3.2	11.2	2.8	2.7	3.0	3.4	12.0	3.2	3.5	4.3	4.8	15.8	4.4	4.5	5.4	6.2	20.6	5.3	5.5	6.3	6.8	23.9
6	Agricultural.....	0.9	0.9	1.1	1.3	4.3	1.0	0.9	1.1	1.4	4.4	1.1	1.2	1.8	2.3	6.3	1.7	1.9	2.7	3.4	9.7	2.5	2.6	3.4	3.9	12.3
7	Nonagricultural.....	1.7	1.7	1.7	1.8	6.9	1.8	1.9	1.9	2.0	7.6	2.1	2.3	2.5	2.6	9.6	2.7	2.7	2.7	2.8	10.9	2.8	2.9	2.9	3.0	11.6
8	Interest and net rents.....	1.8	1.9	1.8	1.9	7.4	1.8	1.9	1.8	1.9	7.5	1.8	2.1	2.0	2.1	8.0	2.0	2.3	2.1	2.4	8.8	2.2	2.6	2.4	2.6	9.8
9	Net corporate profit.....	0.7	0.8	1.1	1.6	4.2	1.1	1.3	1.5	2.0	5.8	1.6	2.0	2.4	2.5	8.5	1.8	2.0	2.2	2.4	8.4	2.1	2.2	2.2	2.4	8.9
10	Dividends.....	0.8	0.8	0.8	1.4	3.8	0.9	0.9	0.9	1.4	4.0	0.9	1.0	1.0	1.6	4.5	0.9	0.9	1.3	1.3	4.6	0.9	0.9	0.9	1.3	4.0
11	Savings.....	-0.1	(?)	0.3	0.2	0.4	0.3	0.4	0.6	0.6	1.8	0.7	1.0	1.4	1.0	4.0	1.0	1.1	1.3	1.1	4.4	1.3	1.3	1.3	1.1	4.9

¹ Detail will not necessarily add to totals because of rounding.

² Less than \$50,000,000.

Table 12.—Disposition of National Income, Quarterly, 1939-43¹

[Billions of dollars]

Line	Item	1939					1940					1941					1942					1943				
		I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total
1	National income.....	16.7	17.2	17.6	19.4	70.8	18.2	18.7	19.2	21.4	77.6	21.0	23.3	25.3	27.3	96.9	26.5	28.8	31.4	34.8	121.6	34.4	36.4	37.5	39.6	147.9
2	Add: Transfer payments.....	0.6	0.6	0.6	0.6	2.4	0.7	0.7	0.7	0.6	2.6	0.7	0.6	0.6	0.6	2.5	0.7	0.6	0.7	0.7	2.7	0.7	0.8	0.8	0.9	3.2
3	Less: Corporate savings.....	-0.1	(?)	0.3	0.2	0.4	0.3	0.4	0.6	0.6	1.8	0.7	1.0	1.4	1.0	4.0	1.0	1.1	1.3	1.1	4.4	1.3	1.3	1.3	1.1	4.9
4	Contributions to social insurance funds.....	0.6	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.6	2.1	0.6	0.6	0.7	0.7	2.6	0.7	0.8	0.8	0.8	3.2	0.9	0.9	1.0	1.0	3.8

¹ Detail will not necessarily add to totals because of rounding.

Table 12.—Disposition of National Income, Quarterly, 1939-43—Continued¹

Line	Item	1939					1940					1941					1942					1943				
		I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total
5	Equals: Income payments to individuals.....	16.9	17.3	17.4	19.3	70.8	18.1	18.5	18.8	20.9	76.2	20.3	22.3	23.8	26.3	92.7	25.5	27.6	30.0	33.6	116.0	33.0	34.9	36.0	38.4	142.3
6	Less: Personal taxes and nontax payments.....	1.0	.8	.5	.8	3.1	1.1	.8	.5	.9	3.3	1.4	1.0	.7	1.0	4.0	2.5	1.6	1.2	1.3	6.6	3.9	4.0	4.8	5.6	18.3
7	Federal.....	.4	.3	.3	.2	1.2	.5	.3	.3	.3	1.4	.8	.5	.4	.4	2.0	2.0	1.0	1.0	.7	4.7	3.3	3.4	4.5	5.0	16.3
8	State and local.....	.3	.3	.3	.6	1.9	.5	.5	.3	.6	1.9	.5	.3	.3	.6	1.9	.5	.5	.3	.6	1.9	.5	.6	.3	.6	2.0
9	Equals: Disposable income of individuals.....	15.9	16.5	16.8	18.5	67.7	17.0	17.7	18.2	20.0	72.9	19.0	21.3	23.2	25.3	88.7	23.0	26.1	28.7	32.2	110.0	29.1	31.0	31.2	32.8	124.0
10	Less: Consumer expenditures.....	14.2	15.4	15.2	16.9	61.7	15.3	16.2	16.1	18.0	65.7	16.6	18.6	18.0	20.5	74.6	18.8	19.8	20.3	23.1	82.0	20.9	22.5	22.5	25.1	91.0
11	Equals: Net savings of individuals.....	1.7	1.1	1.6	1.6	6.0	1.7	1.4	2.2	2.0	7.3	2.4	2.7	4.3	4.8	14.2	4.2	6.3	8.4	9.2	28.0	8.2	8.5	8.7	7.6	33.0

¹ Detail will not necessarily add to totals because of rounding.

Table 13.—Relation of Gross National Product to National Income, Quarterly, 1929-43¹

(Billions of dollars)

Line	Item	1939					1940					1941					1942					1943				
		I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total
1	National income.....	16.7	17.2	17.6	19.4	70.8	18.2	18.7	19.3	21.4	77.6	21.0	23.3	25.3	27.3	96.9	26.5	28.8	31.4	34.8	121.6	34.4	36.4	37.5	39.6	147.9
2	Business tax and nontax liabilities.....	2.4	2.5	2.7	2.8	10.4	2.8	3.0	3.2	3.5	12.4	3.9	4.5	4.9	5.2	18.5	5.4	5.7	6.1	6.4	23.6	6.6	6.9	7.0	7.2	27.7
3	Depreciation and depletion charges.....	1.6	1.6	1.6	1.6	6.2	1.6	1.6	1.6	1.6	6.4	1.7	1.7	1.8	1.8	7.0	1.8	1.9	2.0	2.0	7.7	2.0	2.1	2.1	2.1	8.2
4	Other business reserves.....	.2	.2	.2	.2	.8	.2	.2	.2	.2	.7	.2	.2	.2	.2	.8	.2	.2	.2	.2	.8	.2	.2	.2	.2	.8
5	Capital outlay charged to current expense.....	.2	.2	.2	.2	.7	.2	.2	.2	.2	.9	.3	.3	.4	.4	1.3	.3	.3	.2	.2	1.1	.2	.2	.2	.2	.8
6	Inventory revaluation adjustment.....	(?)	(?)	-1	-3	-4	-1	(?)	-1	-2	-4	-5	-7	-9	-11	-3.2	-8	-6	-2	-5	-2.1	-1	(?)	-1	(?)	-2
7	Adjustment for discrepancies.....	-.4	.3	-.5	.6	0	-1	-1	-.3	.3	-.4	-.6	-.7	-.2	-1.7	-1.1	.5	-.6	-.4	-.0	-.0	-.4	1.0	.9	-.2	1.2
8	Gross national product of expenditure.....	20.5	21.9	21.8	24.5	88.6	22.7	23.6	23.7	27.1	97.1	26.0	29.3	30.4	34.0	119.6	32.4	36.9	39.3	43.6	152.1	43.0	46.7	47.8	49.0	189.5

¹ Detail will not necessarily add to totals because of rounding.

² Less than \$50,000,000.

Table 14.—Wages and Salaries and Average Salary-Wage Per Employee in Nonagricultural Industries, 1939-43¹

	Wages and salaries (millions of dollars)					Average salary-wage per employee (dollars)					Percent increase from 1942 to 1943
	1939	1940	1941	1942	1943	1939	1940	1941	1942	1943	
Total, all nonagricultural industries.....	43,498	47,870	59,910	79,300	100,545	1,308	1,340	1,457	1,680	1,871	11.4
Total, excluding Government.....	37,252	41,099	51,687	65,744	78,521	1,290	1,331	1,484	1,753	2,037	16.2
Mining, total.....	1,178	1,332	1,600	1,835	2,039	1,368	1,366	1,589	1,810	2,178	20.3
Anthracite coal.....	120	114	131	151	174	1,364	1,253	1,409	1,697	2,006	23.5
Bituminous coal.....	477	564	708	559	857	1,220	1,259	1,520	1,749	2,146	22.7
Metal.....	152	184	223	258	293	1,567	1,673	1,828	2,115	2,462	16.4
Nonmetallic mining and quarrying.....	105	124	164	202	264	1,154	1,228	1,402	1,629	1,943	19.3
Crude petroleum and natural gas.....	824	346	374	365	411	1,670	2,696	1,764	1,841	2,246	15.7
Manufacturing, total.....	13,189	15,372	21,503	30,653	40,706	1,355	1,434	1,684	2,025	2,363	16.7
Food, beverages and tobacco.....	1,671	1,761	2,009	2,395	2,775	1,319	1,348	1,443	1,645	1,876	20.3
Food and kindred products.....	1,582	1,667	1,905	2,287	2,656	1,352	1,348	1,468	1,668	1,907	14.3
Tobacco manufactures.....	89	94	104	108	119	915	989	1,106	1,241	1,384	11.5
Paper, printing and publishing.....	1,442	1,526	1,743	1,845	2,057	1,642	1,694	1,818	1,988	2,202	10.8
Paper and allied products.....	449	504	638	731	838	1,408	1,457	1,644	1,863	2,116	13.6
Printing, publishing and allied industries.....	993	1,022	1,105	1,124	1,219	1,780	1,841	1,935	2,078	2,266	9.0
Textiles and leather.....	2,369	2,474	3,253	3,856	4,292	992	1,020	1,187	1,401	1,627	16.1
Textile mill products.....	1,116	1,182	1,870	1,874	2,009	954	997	1,172	1,407	1,607	14.2
Apparel and other finished textile products.....	880	916	1,184	1,408	1,686	1,029	1,043	1,184	1,370	1,688	19.6
Leather and leather products.....	373	376	499	574	507	1,030	1,042	1,244	1,464	1,663	13.6
Construction materials and furniture.....	1,260	1,439	1,891	2,196	2,415	1,144	1,170	1,299	1,510	1,797	19.0
Lumber and timber basic products.....	402	477	638	777	866	900	994	1,091	1,201	1,613	24.9
Furniture and finished lumber products.....	307	436	559	625	680	1,134	1,166	1,315	1,532	1,766	15.3
Stone, clay and glass products.....	461	526	694	794	869	1,336	1,399	1,556	1,788	2,059	15.2
Chemicals and petroleum refining.....	912	1,119	1,474	2,134	2,637	1,640	1,757	1,914	2,164	2,465	13.9
Chemicals and allied products.....	655	811	1,102	1,672	2,103	1,582	1,704	1,861	2,108	2,382	13.0
Products of petroleum and coal.....	257	308	372	402	504	1,810	1,913	2,090	2,394	2,834	18.4
Metals, machinery, and transportation equipment.....	4,901	6,316	10,117	16,894	24,804	1,587	1,765	2,005	2,456	2,754	12.1
Iron and steel and their products.....	1,715	2,113	3,045	4,316	5,908	1,514	1,612	1,881	2,249	2,612	16.1
Nonferrous metals and products.....	428	521	748	1,032	1,290	1,507	1,588	1,811	2,234	2,606	16.7
Electrical machinery.....	525	635	966	1,478	2,045	1,568	1,641	1,872	2,243	2,623	8.0
Machinery (except electrical).....	1,123	1,454	2,359	3,660	4,328	1,642	1,771	2,089	2,851	3,281	11.6
Automobiles and automobile equipment.....	797	1,020	1,424	1,599	2,208	1,729	1,903	2,201	2,835	3,101	9.4
Transportation equipment (except automobiles).....	313	573	1,575	4,807	8,965	1,647	1,785	2,181	2,591	2,829	9.2
Rubber and miscellaneous.....	634	737	1,010	1,333	1,786	1,387	1,431	1,600	1,949	2,287	17.3
Rubber products.....	229	240	340	401	555	1,517	1,556	1,702	2,089	2,413	15.5
Miscellaneous industries.....	405	488	676	932	1,231	1,324	1,376	1,529	1,894	2,234	18.0
Contract construction.....	1,550	1,674	2,753	4,644	6,370	1,315	1,309	1,680	2,220	2,656	19.2
Transportation, total.....	3,620	3,807	4,302	5,397	6,726	1,654	1,671	1,777	2,032	2,336	15.0
Steam railroads, Pullman and express.....	2,090	2,207	2,612	3,272	3,951	1,876	1,908	2,039	2,296	2,577	12.2
Water transportation.....	416	451	494	545	803	1,770	1,702	1,810	2,261	2,722	20.4
Street railways.....	312	284	283	334	408	1,733	1,732	1,826	2,024	2,342	15.7
Motor transportation, public warehouses, and other transportation.....	802	865	1,003	1,246	1,564	1,217	1,250	1,316	1,510	1,783	18.1
Power and gas.....	671	723	772	779	779	1,766	1,704	1,969	2,039	2,265	11.1
Communication.....	622	637	711	755	885	1,503	1,577	1,598	1,677	1,802	7.5
Trade, total.....	7,772	8,404	9,824	10,452	11,347	1,214	1,236	1,324	1,440	1,595	10.8
Retail.....	5,701	5,305	6,385	6,781	7,449	1,056	1,071	1,132	1,221	1,357	11.1
Wholesale.....	2,071	2,899	3,439	3,671	3,898	1,690	1,747	1,933	2,166	2,390	11.3

¹ Except in the service industry, average salary wage is calculated by dividing total salaries and wages by average monthly employment. Because the prevalence of part-time employment in service would seriously affect the level of average earnings and therefore comparability with other industries if this method were followed, average salary-wage in service is computed on a full time equivalent basis by dividing salaries and wages paid to full time employees by the average monthly number of full time employees.

Table 14.—Wages and Salaries and Average Salary-Wage Per Employee in Nonagricultural Industries, 1939-43—Con.

	Wages and salaries (millions of dollars)					Average salary-wage per employee (dollars)					Percent increase from 1942 to 1943
	1939	1940	1941	1942	1943	1939	1940	1941	1942	1943	
Finance, total.....	2,248	2,324	2,508	2,648	2,812	1,581	1,595	1,640	1,732	1,870	8.0
Banking.....	620	634	709	774	809	1,807	1,876	1,891	1,940	2,002	3.2
Insurance.....	932	952	1,017	1,097	1,144	1,701	1,715	1,775	1,895	2,039	7.6
Security brokerage and real estate.....	696	738	782	777	860	1,284	1,309	1,340	1,410	1,594	13.0
Government, total.....	6,246	6,771	8,223	13,550	22,024	1,404	1,400	1,307	1,401	1,450	3.5
Federal ¹	2,078	2,470	3,825	9,090	17,423	1,603	1,534	1,282	1,392	1,433	2.9
State, county, local and public education.....	4,168	4,301	4,398	4,466	4,601	1,322	1,334	1,359	1,418	1,517	7.0
Service, total.....	4,511	4,809	5,297	6,023	6,692	932	943	1,013	1,132	1,343	18.6
Personal, including lodging places.....	924	1,009	1,141	1,307	1,550	964	977	1,010	1,111	1,287	15.8
Domestic.....	1,040	1,129	1,168	1,348	1,394	522	535	581	684	881	28.8
Business, including radio broadcasting.....	483	501	504	604	781	1,872	1,927	2,003	2,199	2,503	13.8
Repair (except automobile) and hand trades.....	66	62	90	114	165	930	954	1,111	1,326	1,618	22.0
Recreation.....	541	554	616	669	729	1,605	1,578	1,604	1,685	1,787	6.1
Professional.....	986	1,037	1,130	1,299	1,390	1,079	1,037	1,129	1,237	1,352	9.3
Nonprofit membership organizations.....	471	517	553	622	674	1,510	1,576	1,676	1,824	1,982	8.7
Miscellaneous.....	1,891	2,017	2,327	2,528	2,775	1,203	1,310	1,393	1,521	1,679	10.4

¹ Except in the service industry, average salary wage is calculated by dividing total salaries and wages by average monthly employment. Because the prevalence of part-time employment in service would seriously affect the level of average earnings and therefore comparability with other industries if this method were followed, average salary-wage in service is computed on a full time equivalent basis by dividing salaries and wages paid to full time employees by the average monthly number of full time employees.
² Excludes subsistence to members of the armed forces and wage-relief wages.

Table 15.—National Income by Distributive Shares, 1929-43

(Millions of dollars)

Type of share	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943
Total national income.....	83,326	68,858	54,479	39,963	42,322	49,455	55,719	64,924	71,513	64,200	70,829	77,574	96,857	121,568	147,927
Total compensation of employees.....	53,066	48,180	40,605	31,661	29,831	34,475	37,509	43,024	48,262	45,105	48,075	52,288	64,489	83,771	105,249
Total salaries and wages.....	52,556	47,650	40,021	31,027	28,999	32,590	35,916	39,970	44,989	41,181	44,236	48,022	60,810	80,477	102,648
Salaries and wages in private industry.....	47,546	42,510	34,896	26,050	24,246	27,979	30,590	34,508	39,267	35,183	37,930	41,851	52,587	66,921	89,024
Salaries and wages in governmental agencies ¹	5,010	5,140	5,125	4,971	4,455	4,617	5,026	5,462	5,722	5,968	6,246	6,771	8,223	13,550	22,024
Total supplements to salaries and wages.....	510	530	584	634	832	884	1,593	3,054	3,273	3,924	3,839	3,066	3,679	3,294	3,201
Work-relief wages ²			59	132	656	1,387	1,329	2,155	1,659	2,064	1,870	1,577	1,213	1,586	58
Social Security contributions of employers ³															2,293
Other labor income ⁴	510	530	525	502	477	492	564	603	614	645	1,286	1,358	1,686	1,953	2,338
Net income of incorporated business.....	7,194	1,723	-1,614	-3,646	-1,625	540	1,668	3,767	3,043	1,658	4,228	5,944	8,519	8,392	8,395
Dividends.....	5,944	5,694	4,290	2,727	2,725	2,931	4,555	4,745	3,172	3,806	4,046	4,511	3,969	4,023	
Corporate savings.....	1,250	-3,971	-5,984	-6,373	-2,818	-2,176	-1,263	-583	-802	-1,514	4,222	1,788	4,008	4,423	4,369
Net income of proprietors ⁵	13,020	10,018	7,264	4,840	6,549	7,526	9,476	10,870	11,919	10,122	11,151	11,089	13,338	20,574	23,893
Agriculture.....	5,174	3,758	2,416	1,488	2,224	2,867	4,088	4,401	5,066	4,013	4,291	4,362	6,278	9,703	12,301
Other.....	8,456	6,260	4,848	3,352	4,325	4,659	5,388	6,469	6,853	6,109	6,800	7,627	9,509	10,871	11,592
Interest.....	3,867	6,048	5,957	5,628	5,110	5,176	5,106	5,130	5,146	5,068	5,085	5,120	5,250	5,472	6,841
Net rents and royalties.....	3,569	2,389	2,267	1,471	1,457	1,729	1,900	2,133	2,243	2,247	2,290	2,324	2,701	3,359	3,806
Addendum: Net income of incorporated business before Federal taxes.....	8,387	2,441	-1,221	-3,364	-208	1,135	2,403	4,958	5,219	2,518	5,460	8,388	15,721	19,869	23,671

¹ Excludes subsistence to members of the armed forces.
² Includes pay rolls and maintenance of Civilian Conservation Corps enrollees and pay rolls of Civil Works Administration, Federal Emergency Relief Administration, and the Federal Works Program projects plus administrative pay rolls outside of Washington, D. C., for all except the Federal Works Program. Area office employees and their pay rolls under the Federal Works Program are included with the regular Federal Government employment and pay-roll figures.
³ Includes contributions to Railroad Retirement and Railroad Unemployment Compensation Funds.
⁴ Employer contributions to pension funds under private plans and under systems for Government employees, compensation for industrial injuries, etc.
⁵ Includes owners' remuneration for personal services and capital.

Table 16.—National Income, by Industrial Divisions, 1929-43

(Millions of dollars)

Industrial division	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943
Total national income.....	83,326	68,858	54,479	39,963	42,322	49,455	55,719	64,924	71,513	64,200	70,829	77,574	96,857	121,568	147,927
Agriculture.....	6,772	5,197	3,569	2,354	2,992	3,474	4,963	5,331	6,106	4,973	5,230	5,313	7,377	11,070	13,993
Mining, total.....	1,919	1,361	811	539	605	970	1,395	1,225	1,229	1,218	1,243	1,580	1,940	2,234	2,460
Anthracite coal.....	273	266	213	141	130	160	152	136	128	104	117	127	152	176	199
Bituminous coal.....	656	526	384	247	273	426	449	511	560	467	503	615	756	960	1,066
Other.....	990	569	214	151	202	404	444	731	1,035	647	728	838	1,008	1,085	1,195
Manufacturing, total.....	20,897	15,471	10,544	6,217	8,410	10,803	12,795	15,611	18,616	13,570	16,965	20,215	28,497	37,314	48,096
Food, beverages, and tobacco.....	2,478	2,280	1,828	1,410	1,580	1,933	2,007	2,249	2,284	2,192	2,370	2,480	2,910	3,319	3,764
Paper, printing and publishing.....	2,191	2,025	1,609	1,110	1,166	1,360	1,490	1,676	1,870	1,619	1,729	1,889	2,192	2,213	2,468
Textiles and leather.....	3,187	3,142	1,837	1,204	1,809	2,004	2,300	2,542	2,640	2,175	2,711	2,846	3,980	4,543	5,007
Construction materials and furniture.....	2,169	1,519	868	346	507	755	897	1,348	1,590	1,244	1,581	1,800	2,410	2,659	2,860
Chemicals and petroleum refining.....	1,933	1,273	769	621	753	899	1,021	1,249	1,474	1,145	1,482	1,801	2,400	2,970	3,515
Metals, machinery, and transportation equipment.....	8,160	6,640	3,225	1,290	2,123	3,333	4,392	5,840	7,403	4,573	6,202	8,441	13,236	19,888	28,246
Rubber and miscellaneous.....	870	585	418	227	347	483	583	703	770	622	841	952	1,309	1,722	2,236
Contract construction, total.....	3,547	2,610	1,777	554	608	879	1,447	1,793	1,793	1,771	1,943	2,153	3,565	6,076	8,328
Transportation, total.....	6,982	6,051	4,902	3,034	3,606	3,708	4,094	4,767	5,080	4,323	4,950	5,381	6,414	8,090	9,548
Steam railroads, Pullman and express.....	4,652	3,871	2,975	2,086	2,120	2,230	2,409	2,835	2,956	2,458	2,830	3,090	3,829	5,042	5,695
Water transportation.....	470	410	343	254	280	304	362	423	462	356	479	540	597	630	911
Street railways.....	601	626	500	428	371	379	353	307	382	331	348	343	349	436	523
Motor transportation, public warehouses and other transportation.....	1,199	1,138	1,075	866	835	885	960	1,112	1,220	1,138	1,293	1,397	1,620	1,932	2,449
Power and gas.....	1,427	1,326	1,242	1,097	1,027	1,128	1,153	1,244	1,405	1,370	1,450	1,557	1,952	2,573	3,166
Communication.....	1,046	1,013	900	726	639	680	724	778	862	865	925	937	1,007	1,050	1,160
Trade, total.....	11,878	9,719	7,794	5,552	6,322	7,428	8,153	9,420	10,439	8,823	10,056	12,006	14,840	18,870	23,424
Retail.....	7,731	6,477	5,313	3,812	4,253	5,072	5,466	6,256	6,932	6,484	7,135	7,904	9,826	10,230	11,385
Wholesale.....	4,147	3,242	2,470	1,740	2,069	2,356	2,687	3,170	3,507	3,339	3,821	4,192	5,214	6,640	8,039
Finance, total.....	10,136	8,651	7,025	5,300	4,763	5,132	5,580	6,483	6,897	6,691	6,796	6,983	7,687	8,444	9,222
Banking.....	1,454	1,224	814	485	503	711	830	967	927	978	1,092	1,194	1,243	1,359	1,409
Insurance.....	1,267	1,145	1,037	955	905	960	1,097	1,224	1,216	1,193	1,284	1,404	1,470	1,577	1,667
Security brokerage and real estate.....	7,415	6,282	5,174	3,721	3,378	3,609	3,943	4,556	4,700	4,548	4,625	4,737	5,265	5,805	6,446
Government, total.....	6,407	6,521	6,695	6,657	6,631	7,652	7,950	9,291	0,114	9,809	9,987	10,303	11,409	16,416	25,126
Federal ¹	2,158	2,140	2,214	2,228	2,633	3,720	3,905	4,997	4,623	5,143	5,109	5,397	6,433	11,313	19,895
State, county, local and public education.....															

Table 17.—Income Payments to Individuals, by Months, 1939-43¹

Year and month	Indexes adjusted (1935-39=100)			Amount (millions of dollars)											
	Total income payments	Salaries and wages	Total nonagricultural income	Total income payments	Salaries and wages						Direct and other relief	Social Security benefits and other labor income	Dividends and interest	Entrepreneurial income and net rents and royalties	Total nonagricultural income
					Total ²	Commodity-producing industries	Distributive industries	Service industries	Government	Work relief wages					
1939															
January	102.7	104.3	103.1	5,771	3,652	1,252	942	746	524	188	92	136	828	1,061	5,331
February	102.4	104.3	103.0	5,319	3,641	1,263	928	743	525	182	94	143	432	1,009	4,921
March	103.1	104.6	103.7	5,809	3,716	1,293	956	749	530	188	95	150	770	1,069	5,355
April	101.6	103.1	102.6	5,724	3,688	1,270	958	751	530	179	90	144	758	1,044	5,292
May	103.5	104.7	103.8	5,520	3,756	1,305	976	765	535	175	87	150	462	1,065	5,055
June	104.9	106.9	106.0	6,024	3,828	1,357	990	774	542	165	86	157	905	1,045	5,573
July	104.8	106.3	106.0	5,806	3,667	1,348	987	764	424	144	85	148	837	1,069	5,329
August	105.8	107.0	106.7	5,483	3,710	1,403	992	759	421	135	88	156	423	1,196	4,977
September	106.9	107.5	107.4	6,092	3,860	1,450	1,012	774	509	115	88	147	774	1,223	5,485
October	108.8	109.9	109.2	6,327	4,048	1,633	1,047	792	548	128	88	140	740	1,305	5,648
November	109.5	111.1	110.1	5,949	4,022	1,511	1,037	796	545	133	88	142	467	1,230	5,359
December	110.3	111.9	110.9	7,005	4,070	1,490	1,081	808	555	138	90	144	1,486	1,215	6,454
Total				70,829	45,658	16,475	11,906	9,219	6,188	1,870	1,071	1,768	8,891	13,441	64,779
Monthly average	105.4	106.8	106.1	5,902	3,805	1,373	992	768	516	156	89	147	741	1,120	5,398
1940															
January	110.2	112.2	111.1	6,194	3,916	1,421	1,014	797	546	138	95	156	839	1,188	5,688
February	110.6	112.0	111.0	5,725	3,906	1,419	999	796	548	144	95	169	433	1,132	5,270
March	110.3	112.3	111.4	6,142	3,970	1,444	1,023	796	555	152	95	164	804	1,109	5,717
April	110.8	112.4	111.5	6,143	3,989	1,459	1,025	799	559	147	93	169	780	1,122	5,699
May	112.2	114.1	113.2	5,897	4,066	1,494	1,043	811	572	141	91	171	454	1,115	5,459
June	112.2	115.2	114.1	6,402	4,106	1,532	1,054	815	580	124	88	178	1,005	1,090	6,089
July	112.8	116.1	114.7	6,254	3,995	1,544	1,054	813	465	119	89	176	857	1,137	5,764
August	113.8	117.5	115.7	5,919	4,064	1,615	1,060	806	463	121	90	178	425	1,167	5,411
September	115.2	119.0	116.9	6,611	4,265	1,686	1,094	818	552	115	87	188	833	1,268	6,018
October	116.2	119.7	117.5	6,827	4,427	1,762	1,109	817	562	127	90	185	778	1,377	6,128
November	117.3	121.1	118.6	6,450	4,424	1,755	1,105	824	619	121	91	182	467	1,316	5,833
December	119.9	124.0	121.2	7,613	4,572	1,788	1,176	841	639	128	94	185	1,600	1,292	7,055
Total				76,237	49,700	18,920	12,761	9,732	6,710	1,577	1,098	1,951	9,175	14,313	70,076
Monthly average	113.5	116.3	114.8	6,353	4,142	1,577	1,063	811	569	131	92	163	765	1,193	5,840
1941															
January	121.3	125.1	122.5	6,786	4,453	1,777	1,094	834	617	131	96	165	797	1,285	6,271
February	124.1	128.1	125.2	6,488	4,531	1,854	1,092	837	628	125	96	160	441	1,260	6,015
March	128.2	130.4	127.1	7,060	4,649	1,901	1,133	846	643	126	96	161	869	1,292	6,569
April	129.3	133.4	129.9	7,135	4,766	1,930	1,177	875	663	121	96	155	789	1,329	6,621
May	134.6	139.4	134.7	7,124	4,993	2,116	1,196	886	678	116	93	159	494	1,385	6,562
June	139.9	145.3	139.3	8,028	5,200	2,242	1,243	913	698	104	93	159	1,129	1,447	7,410
July	142.0	147.9	141.8	7,812	5,135	2,292	1,255	910	592	86	90	167	895	1,435	7,119
August	144.8	150.4	143.9	7,642	5,235	2,373	1,262	915	605	80	90	155	472	1,690	6,823
September	145.3	151.7	144.4	8,379	5,423	2,447	1,279	920	698	79	89	152	922	1,793	7,441
October	146.3	154.3	146.1	8,608	5,604	2,526	1,304	937	758	80	89	151	848	1,916	7,540
November	148.1	155.7	147.3	8,171	5,572	2,493	1,300	940	760	79	90	152	521	1,838	7,223
December	153.7	162.0	152.1	9,490	5,813	2,508	1,456	970	792	87	92	160	1,504	1,831	8,587
Total				92,732	61,374	26,458	14,793	10,783	8,127	1,213	1,112	1,886	9,761	18,599	84,381
Monthly average	138.0	143.6	137.8	7,728	5,114	2,205	1,233	899	677	101	93	157	813	1,550	7,015
1942															
January	156.2	163.5	153.4	8,534	5,673	2,521	1,310	958	807	77	94	174	793	1,795	7,700
February	168.7	167.6	155.8	8,125	5,706	2,601	1,294	964	835	72	95	173	428	1,963	7,411
March	160.7	171.1	158.3	8,835	5,958	2,703	1,321	968	891	75	94	177	896	1,711	8,078
April	164.7	175.3	161.2	8,963	6,137	2,821	1,327	974	947	68	92	171	784	1,779	8,132
May	169.9	179.0	163.7	8,831	6,336	2,968	1,339	982	989	58	89	166	478	1,762	8,000
June	171.2	185.3	168.1	9,820	6,626	3,112	1,347	990	1,124	53	87	166	1,116	1,825	8,902
July	174.2	189.2	171.3	9,746	6,693	3,258	1,353	990	1,047	45	86	171	368	1,928	8,722
August	178.1	193.5	174.3	9,639	6,888	3,415	1,359	993	1,086	35	86	165	431	2,069	8,484
September	181.1	197.1	177.2	10,593	7,148	3,517	1,378	993	1,230	30	85	186	884	2,290	9,216
October	185.8	203.5	182.1	10,981	7,448	3,607	1,428	1,016	1,371	26	85	185	765	2,495	9,399
November	191.4	210.2	186.9	10,784	7,625	3,653	1,444	1,039	1,435	24	84	184	495	2,396	9,332
December	194.9	215.3	190.1	11,788	7,793	3,691	1,509	1,052	1,518	23	84	192	1,500	2,319	10,514
Total				116,639	80,091	37,897	16,409	11,919	13,280	586	1,061	2,113	9,441	23,933	103,890
Monthly average	173.6	187.4	170.1	9,720	6,674	3,158	1,367	993	1,107	49	88	176	787	1,904	8,657
1943															
January	197.7	219.5	193.7	10,934	7,756	3,643				19	88	209	793	2,093	9,831
February	202.4	224.0	197.3	10,636	7,888	3,716				15	81	210	443	2,014	9,629
March	206.0	226.9	199.5	11,404	8,042	3,792				11	78	218	925	2,341	10,265
April	208.3	230.0	201.9	11,395	8,106	3,854				7	77	225	764	2,311	10,253
May	209.3	232.1	203.4	11,252	8,300	3,943				4	76	225	486	2,165	10,456
June	212.1	236.0	206.8	12,271	8,451	3,988				2	77	231	1,350	2,152	11,080
July	213.4	238.1	208.6	11,846	8,599	4,024					77	235	873	2,262	10,531
August	215.2	239.6	209.6	11,681	8,460	4,055					77	241	495	2,438	10,181
September	215.2	241.3	210.9	12,452	8,614	4,111					78	246	984	2,528	10,849
October	217.5	243.9	213.3	12,690	8,775	4,142					78	254	823	2,790	10,865
November	220.8	247.2	216.9	12,811	8,848	4,132					78	266	565	2,614	10,685
December	222.9	249.8	218.7	13,398	8,967	4,076					79	292	1,639	2,401	11,995
Total				142,270	100,708	47,504				58	939	2,854	10,070	27,699	126,223
Monthly average	211.7	235.7	206.7	11,856	8,392	3,959				5	78	238	839	2,308	10,518

¹ Revised series compiled by the United States Department of Commerce, Bureau of Foreign and Domestic Commerce. The revisions were occasioned principally by the adjustment of the monthly data to the Bureau's revised annual estimates of national income for 1940-42 and the estimate for 1943. There have been no revisions in the data for years prior to 1939 as published in the 1942 Supplement to the Survey. For a description of the data see footnotes 1-12 for page 6 on page 177 of that volume. For current months, see page S-1 of this issue.

² The total for 1943 includes data for distributive and service industries and Government which have been discontinued as separate series to avoid disclosure of military pay rolls.